



IN REPLY
REFER TO:

United States Department of the Interior

MINERALS MANAGEMENT SERVICE
ROYALTY MANAGEMENT PROGRAM
ROYALTY COMPLIANCE DIVISION
P.O. BOX 25165
DENVER, COLORADO 80225

700-C-14-20-8396

MMS-RCD
MS 655

APR 28 1985

Memorandum

To: Supervisory Petroleum Engineer, Energy and Mineral Resources, Bureau of Indian Affairs

From: Chief, Royalty Compliance Division

Subject: Quarterly Status Report and Distribution Information on Indian Lease Audits

In accordance with the Indian Audit Strategy, attached are the "Quarterly Status Report on Indian Audit Requests" and information on "Indian Lease Audits Distributions." On the Quarterly Status Report, audit requests are identified alphabetically by the requesting Bureau of Indian Affairs Office or Indian tribe and by the date of the request. This report is designed to advise you of the status of ongoing audit activities; thus, after an audit is identified as completed on a Quarterly Status Report, it will be deleted from future reports. You will continue to receive a report on findings as each audit is completed.

Distribution information is limited to leases on which all audit work has been completed and on which all additional royalties and late payment charges have been collected and distributed to your Area or Agency offices. We will provide updated distribution information with each status report.

If you have any questions or you need additional information, please contact Nikki Tinsley at 236-1102.

Kenneth M. Moyers
for Kenneth M. Moyers

Attachments

RECEIVED
BIA-ENERGY & MINERALS
APR 25 10 45 AM '85

BLM Rio Puerco Resource Area

3/31/86
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10/9/84

✓ Uranium Lease Nos. Navajo Allottee Lakewood Audit complete. Collected additional royalties of
14-20-0603-1345 \$834,050 and late payment charges of \$171,396. Company
14-20-0603-1351 appealed.

Gulf Mineral Resource Company

5/1/85

Uranium Lease Nos. Navajo Allottee Lakewood Field work complete. Preparing demand letter
N00-C-14-20-5666 identifying underpayments of \$6,095.20. Estimated
N00-C-14-20-5667 completion date 6/30/86.

Cobb Resources Corporation

5/1/85

Uranium Lease Navajo Allottee Lakewood Field work complete. Preparing demand letter for
N00-C-14-20-8396 \$2,798.49. Estimated completion date of 8/31/86.

Todilto Exploration
and Development Corporation

Office of External Affairs

12/20/85

535-001348-0 Shoshone/Arapaho Tulsa Review initiated. Estimated completion date
535-001350-0 5/30/86.
535-002133-0

Conoco

10/22/85

518-008233-0 (Concho) Buella Larney Houston Audit complete. No additional royalties due.

Inexco

Date: April 29, 1985

From: James Miles, Realty Specialist

subject: Field inspection Allotment 077031 - abandoned uranium mine

Office of Surface Mining (OSM) field inspector notified our office that Navajo Families living within the allotment 077031 might be utilizing rejected uranium mining materials for housing construction.

BACKGROUND INFORMATION

Allotment 077031 is located approximately 15 miles north of Grants, New Mexico (foothill of Haystack Mountain) in the SW/4 of section 18, T13N, R10W, McKinley County.

The Allotment was mined sporadically from 1952 to August 1966. The extent of development includes two underground mines and one trench. The original mining was done by the Federal Uranium Company. Later the allotment was mined by Cibola Mining until the final abandonment in August of 1966.

No further mining operation was conducted until 1980 when Todilto Exploration leased the allotment for uranium mining. Todilto conducted extensive underground mining until operation was ceased recently. Todilto is now in the process of reclaiming the allotment. Minimal surface reclamation is needed since all major mining activities were conducted underground.

Visual observation confirms that the access portal have been buried and all mining buildings and equipments have been removed. Further work is needed around the stockpile area.

Through all of the mining activities, eight families continually inhabited the allotment. Approximately sixteen (16) more families live in the ^{nearby} immediately adjacent allotments.

OBSERVATION

It was immediately apparent that the danger does not exist from the allotment but from the adjacent land where ~~surface~~ ^{open pit} mining was conducted in the past. The abandoned ^{open pit} surface mine was never reclaimed and thus potentially radioactive materials have been exposed and are readily available to anyone wishing to utilize the materials.

On the inspection date there was a strong wind and it was observed that the predominantly northeast wind was contaminating the allotment. The abandoned surface mine is also used for stock grazing and as play ground ~~for~~ by local children.

The writer interviewed Mr. Watson Vandever, one of the permanent residents of the allotment. I explained to Mr. Vandever the concerns expressed by the OSM inspector that there was a possibility of radioactive materials being present in the area. ~~and that~~ He was thankful that I visited him and informed him of the possible danger of radioactive materials. He was ready to build a foundation ~~for~~ for his trailer with materials from the abandoned mine.

Mr. Watson Vandever, one of the permanent residents of the subject allotment accompanied me throughout the inspection. I explained to him the concerns by the OSM inspector that there might be radioactive materials present in the area. He was thankful that I visited him and informed him of the possible danger from radioactive materials. He mentioned that he was ready to build a foundation for his mobile home with materials from the abandoned mine. The mobile home was obtained from the Todilto Company which was used as an office for their uranium operation. I asked him if the mobile home was washed down by the company before it was turned over to him. He told me that as far as he knows it was never washed. I explained to him that since the mobile home was used by the uranium company it should be thoroughly checked for radioactive contamination.

I asked for his assistance in informing the other families living nearby and ~~also~~ also discourage the further use of the spoil materials.

RECOMMENDATION

The allotment and the adjoining abandoned mine should be thoroughly analyzed for presence of radioactive materials. If the study reveals highly radioactive materials then the local Navajo families should be informed accordingly and the contaminated area be immediately fenced off and "DANGER" signs posted.